

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4584

ANSWERED ON:12.08.2016

States Holding Debt of Discoms

Pala Shri Vincent H

Will the Minister of FINANCE be pleased to state:

- (a) the current outstanding loans of all power distribution companies (discoms);
- (b) the States and Union Territories that have voluntarily joined Ujwal Discom Assurance Yojana and the total discoms debt that each States hold at present;
- (c) the expenditure on health and education sectors by the States that held power discoms debt during 2015 and 2016; and
- (d) the net market borrowing by such States in 2015 and 2016, the target Gross Fiscal Deficit to Gross Domestic Product (GDP) that apply to them according to the Fiscal responsibility and Budget Management (FRBM) Act, 2003?

Answer

- (a) The outstanding loan of all power distribution companies (DISCOMs) as on 31.03.2015 is at Annex-I.
- (b) As on 09.08.2016, fourteen States namely Jharkhand, Chhattisgarh, Rajasthan, Uttar Pradesh, Gujarat, Bihar, Punjab, Jammu & Kashmir, Haryana, Uttarakhand, Goa, Karnataka, Manipur and Andhra Pradesh have signed the Memorandum of Understanding (MoU) under UDAY. The States which have availed GoI consent under Article 293 (3) of the Constitution of India for raising Non-SLR bonds and/or consideration of the borrowings made by the States under earlier scheme (FRP-2012) under UDAY during 2015-16 and 2016-17 to take over debt of Power DISCOMS are shown at Annex-II.
- (c) The expenditure on health and education sectors by the States holding power DISCOM debts as per their Finance Accounts 2014-15 is shown at Annex-III.
- (d) The Net Open Market Borrowings raised by the States/ UTs during 2014-15 and 2015-16 is shown at Annex – IV. The Net Borrowing Ceiling (NBC) of the States including those is fixed based on the Fiscal Deficit target anchored at 3% by Finance Commissions. However, the borrowings under UDAY have been allowed beyond the Fiscal Deficit limits of the States. The Gross Fiscal Deficit to Gross Domestic Product (GDP) as per the Fiscal responsibility and Budget Management (FRBM) Act, 2003 is applicable for Union Government. States are governed by their respective FRBM Acts which incorporates the Fiscal Targets prescribed by the Finance Commissions.